

LNF & IHCIF Calculations Illustration

- ST.RE.MOHAWK in Nashville area -

Given Data

- 4,806 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 35% = % Expenditures on purchased services, 65% = % expenditures in-house
- 97.1% = Cost index for purchasing health care in this geographic area
- 113.2% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,003 per person for purchased services = $35\% * 97.1\% * \$2,980$
- \$2,205 per person for in-house services = $65\% * 113.2\% * \$2,980$
- \$3,208 per person total = \$1,003 (purchase) + \$2,205 (in-house)
- **\$3,077 per person total** adjusted for health status = $\$3,208 * 95.9\%$
- **\$2,332 per person net cost** = $\$3,077 - \745 Other resources (M&M&PI)

Existing Expenditures (for 4,806 users excluding wrap-around and collections)

- \$936 per person = local IHS allowance (excludes \$ for wrap-around)
- \$154 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,145 per person for OU users** = $\$936 + \$154 + \$54$

LNF Calculation

- **37.2% Gross LNF** = $\$1,145$ (expenditures) / $\$3,077$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **49.1% Net LNF** = $\$1,145 / \$2,332$ net cost ($\$3,077 - \745 other)

IHCIF Allocation

- \$1,224,371 = \$ to raise LNF% from 49.1% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$42,706 Allocation** = $\$1,224,371$ needed for 60% * 3.488% IHCIF fraction

ST.RE.MOHAWK Unmet Needs

- **\$11,208,179 Net Total Need** = 4,806 users * \$2,332 net cost
- **\$5,707,643 Net Unmet Need** = $(100\% - 49.1\% \text{ LNF}) * 4,806 \text{ users} * \$2,332 \text{ net cost}$